REMARKS/ARGUMENTS

In the Office Action of February 17, 2004, the rejection of original Claims 1-73 under 35 U.S.C. 102(e) as being anticipated by Wonfor et al., U.S. Patent 6,381,747 ("Wonfor et al."); and also under 35 U.S.C. 102(e) as being anticipated by Sims, III, U.S. Patent 6,438,235 ("Sims III") is maintained.

1. Rejection of Claims 1-73 under 35 U.S.C. 102(b) under Wonfor et al.

It is well established that each and every element of a claim must be taught by a reference in order for the claim to be rejected under 35 USC 102(b) as being anticipated by the reference.

Claim 1 includes the element of "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient."

In order to teach this element of the claim, the unauthorized copying must be of "other protected material" (i.e., not the material for which the terms are being ascertained), and the other protected material must have been "previously provided" to the prospective recipient (i.e., not provided concurrently with or after the material for which the terms are being ascertained).

Wonfor et al. fails to teach this element of Claim 1.

Wonfor et al. teaches a copy protection circuit which is adapted to apply selected anti-copy waveforms to the video signal corresponding to the program material. See, e.g. Abstract. In the event that a subscriber records the PPV protected program via a VCR to obtain a taped copy without authorization, the unauthorized copy will be degraded to the degree that it is un-watchable. See, e.g., Col. 5, lines 50-53.

Thus, Wonfor et al. frustrates attempts to make unauthorized copies by degrading the quality of those copies to the degree that they are un-watchable. As explained in Applicants' prior communication, Wonfor et al. makes no teaching or suggestion that information of such unauthorized copying is used to ascertain terms under which subsequently requested material is provided to the party.

Also, as explained in Applicants' prior communication, Applicants' approach to providing protected material is radically different from conventional copy protection techniques such as that of Wonfor et al. Applicants' approach uses a prospective recipient's "piracy history" (i.e., information of unauthorized copying of other protected material previously provided to the prospective recipient) to ascertain the terms under which protected material being requested by the prospective recipient is provided to the prospective recipient.

Accordingly, Claim 1 is believed to be patentable under 35 U.S.C. 102(e) over Wonfor et al. since Wonfor et al. does not teach each and every element of the claim and in particular, does not take into account a prospective recipient's piracy history to ascertain terms under which protected material is provided to the prospective recipient.

Claims 2-73 are also believed to be patentable under 35 U.S.C. 102(e) over Wonfor et al. for the same reasons as stated in Applicants' prior communication.

1. Rejection of Claims 1-73 under 35 U.S.C. 102(b) under Sims III.

Like Wonfor et al., Sims III also fails to teach or suggest the element of "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient".

In Sims III, the protected content is stored on a bulk storage media. Protection is provided in this case by a means through which the media is securely identified as being original and a playback device is securely identified as being authorized. As a consequence, devices or users of the media may be assured that interaction therewith is authorized as each end can securely identify the other and each end can securely send data to the other end. See, e.g., col. 3, lines 24-34.

Thus, Sims III is concerned with making sure that only the intended recipient of material is able to receive a transmission of the material.

Accordingly, Claim 1 is believed to be patentable under 35 U.S.C. 102(e) over Sims III since Sims III does not teach each and every element of the claim and in particular, does not take into account a prospective recipient's piracy history to ascertain terms under which protected material is provided to the prospective recipient.

Claims 2-73 are also believed to be patentable under 35 U.S.C. 102(e) over Sims III for the same reasons as stated in Applicants' prior communication.

Claims 1-73 remain pending in the application. Reconsideration of the rejection of these claims is respectfully requested for the reasons stated herein and in Applicants' prior communication, and an early notice of their allowance earnestly solicited.

Respectfully submitted,

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